



**United States Department of Justice
United States Attorney's Office
District of Minnesota**



News Release

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FOR IMMEDIATE RELEASE
Thursday, September 15, 2011
WWW.JUSTICE.GOV/USAO/MN

Savage woman indicted for assisting in mortgage fraud scheme

MINNEAPOLIS – A federal indictment unsealed late yesterday charges a 48-year-old real estate agent from Savage for her participation in a multi-million dollar mortgage fraud scheme that victimized lenders across the country. The indictment, which was filed on September 8, 2011, charges Barbara Lynnae Puro was charged with one count of conspiracy to commit wire fraud and 12 counts of wire fraud. The indictment was unsealed following Puro's initial appearance in federal court.

The indictment alleges that from January 1, 2005, through January 1, 2008, Puro conspired with others to fraudulently obtain loan proceeds by making false representations to and withholding material information from lenders. Puro was employed by HomStar USA, ReMax Advantage Plus and Coldwell Banker Burnet, and was responsible for representing and recruiting buyers and sellers of residential properties. Puro also owned TRAE, Inc., a corporation associated with her real estate endeavors.

Puro allegedly arranged for homeowners to sell their properties to straw buyers at inflated prices. In each case, she then purportedly funneled to her co-conspirators the difference between the amount a particular home seller would accept and that home's inflated sale price. In addition to representing the sellers, Puro often represented the straw purchasers during the same transaction. Puro also allegedly produced fraudulent documentation for lenders and title companies causing disbursements to be made to her co-conspirators and to companies she controlled. These disbursements were then routed back to Puro, the buyers and co-conspirators. In addition to the concealed disbursements, Puro collected substantial real estate commissions that exceeded industry standards.

Puro and her co-conspirators convinced straw purchasers to purchase approximately 22

residential properties in Minnesota in this manner resulting in fraudulent loans in excess of \$10 million and losses of approximately \$5.3 million. The properties included locations in Savage and Prior Lake. During the course of the conspiracy, Puro allegedly wire transferred loan proceeds.

Co-conspirator Zack Zafer Dyab, age 46, of Golden Valley, is scheduled to be sentenced on September 14, 2011, on one count of conspiracy to commit wire fraud and one count of money laundering. Co-conspirator Julia Alexander Rozhansky, age 46, of Minnetonka, pleaded guilty on October 26, 2010, to one count of conspiracy to commit wire fraud and one count of money laundering. No sentencing date has been scheduled for her.

If convicted, Puro faces a potential maximum penalty of 20 years in prison on each count. All sentences will be determined by a federal district court judge.

This case is the result of an investigation by the Federal Bureau of Investigation, the Minneapolis Police Department, the Minnetonka Police Department and the Internal Revenue Service-Criminal Investigation Division. It is being prosecuted by Assistant U.S. Attorney Christian S. Wilton.

This law enforcement action is in part sponsored by the interagency Financial Fraud Enforcement Task Force. The task force was established to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. It includes representatives from a broad range of federal agencies, regulatory authorities, inspectors general, and state and local law enforcement who, working together, bring to bear a powerful array of criminal and civil enforcement resources. The task force is working to improve efforts across the federal executive branch and, with state and local partners, investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, combat discrimination in the lending and financial markets, and recover proceeds for victims of financial crimes.

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An indictment is a determination by a grand jury that there is probable cause to believe that offenses have been committed by a defendant. A defendant, of course, is presumed innocent until he or she pleads guilty or is proven guilty at trial.